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**Terrebonne Economic  
Development Authority**

Agreed-Upon Procedures Report  
For the Years Ended  
December 31, 2012 and 2013

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date NOV 05 2014

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge office of the Legislative Auditor and at the office of the parish clerk of court.

**Terrebonne Economic Development Authority**  
**Terrebonne Parish Consolidated Government**

Agreed-Upon Procedures Report  
For the Years Ended December 31, 2012 and 2013

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Independent Accountant's Report  
on Applying Agreed-Upon Procedures

To the Board of Commissioners  
Terrebonne Economic Development Authority  
Terrebonne Parish Consolidated Government  
Houma, Louisiana

We have performed the procedures enumerated below, which were agreed to by the management of Terrebonne Economic Development Authority (TEDA) and the Legislative Auditor, State of Louisiana, solely to assist you in determining whether the Authority complied with its policies and applicable state laws as related to its credit card transactions, meal reimbursements, travel expenditures, and operating supplies expenditures during the years ended December 31, 2012 and 2013. Management of Terrebonne Economic Development Authority is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and associated findings are as follows:

For all credit card transactions, meal reimbursements, travel expenditures, and operating supplies expenditures incurred during the years ended December 31, 2012 and 2013, supporting documentation was inspected to determine if the expenditure is in compliance with the Authority's policies and applicable state laws.

**Meals**

In order for the payment of a meal to be allowable for a Louisiana government, the meal must relate to the government's business, the meal's attendees must relate to the business purpose, and the type of meal served must be reasonable and allowable.

Thirty-five transactions for meals (totaling \$2,521) did not have receipts to support the expenditures. As such there is no means to determine if the meals were related to the TEDA's business, whether all meal attendees were related to the business purpose, and whether the meal served was reasonable and allowable.

One hundred six transactions for meals (totaling \$5,795) were supported by receipts that were not itemized as to what type of meal was served, did not include documentation of who attended the meal, and did not document the business purpose of the meal. As such there is no means to determine if the meals were related to the TEDA's business, whether all meal attendees were related to the business purpose, and whether the meal served was reasonable and allowable.

One hundred eight transactions for meals (totaling \$7,790) were supported by itemized receipts that did not include documentation of who attended the meal or the business purpose of the meal. As such there is no means to determine if the meals were related to the TEDA's business and whether all meal attendees were related to the business purpose. As there was no documentation of the number of attendees at the meal, it could not be determined whether the meal served was reasonable and allowable.

Four transactions for meals (totaling \$250) were supported by receipts that indicated that the meal was for employees of TEDA. These receipts did not include documentation as to who attended the meal or the business purpose. Meals for Louisiana governments' employees are not allowed unless there is proper documentation that the meal was necessary and related to the government's business purpose.

One transaction for meals (\$182) was supported by a receipt that indicated that the meal was for a Christmas luncheon for TEDA's employees. The use of public funds for such an expenditure is not allowed by state statute.

### **Travel**

TEDA's fiscal policy as related to travel requires that travel cost reimbursements for staff, other than the chief executive officer, be approved by the chief executive officer. For the chief executive officer, in state travel cost reimbursements must be approved by an officer of the Board of Commissioners and out of state travel cost reimbursements must be approved by the Board of Commissioners.

Four transactions for travel (three for staff members, one for the chief executive officer totaling \$1,009) did not have a receipt to support the expenditure. As such there was no approval by the proper supervisor as required by TEDA's fiscal policy nor any means to determine if the expenditure complied with state law.

Four transactions for staff travel (totaling \$1,977) were properly supported by receipts but did not have evidence of approval by the chief executive officer as required by TEDA's fiscal policy.

### **Operating Supplies/Other**

Thirty-four transactions for operating supplies/other expenditures (totaling \$2,312) did not have receipts to support the expenditures. As such there is no means to determine if the expenditure complied with state law.

Four transactions (a cell phone purchase (\$352), limousine service (\$650), flowers (\$55), and gift items (\$128)) were supported by receipts but had no explanation as to the business purpose or identified the recipient or user of these goods/services. As such there is no means to determine if the expenditure complied with state law.

Three transactions (flowers for a TEDA employee who delivered a baby (\$67), flowers for the funeral of a Board Member (\$150), and a donation to a charitable organization (\$150)) were supported by receipts. However, the use of public funds for such expenditures is not allowed by state statute.

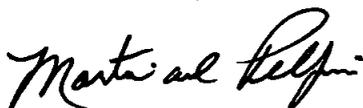
### **Credit Card Transactions/Expense Reimbursement Requests**

As part of TEDA's policy related to credit card statements, each statement is stamped when received. This stamp states "I hereby certify that these expenditures fall within the purchasing guidelines of TEDA" and has a place for the proper supervisor to sign and date. While we noted that each credit card statement was properly stamped we noted no instances where the stamp was signed and dated by a supervisor, indicating approval of such purchases.

As part of TEDA's policy related to expense reimbursement requests, a standard form is utilized. This form has a place for the proper supervisor to sign and date. Ten of the eleven expense reimbursement forms we tested were not signed and dated by a supervisor.

We were not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on TEDA's compliance with its fiscal policies and applicable state laws related to credit card transactions, meal reimbursements, travel expenditures, and operating supplies expenditures. Accordingly, we do not express such an opinion. Had we preformed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Terrebonne Economic Development Authority and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Houma, Louisiana  
September 23, 2014

**Terrebonne Economic Development Authority**  
Terrebonne Parish Consolidated Government

**Management's Corrective Action Plan for  
Agreed Upon Procedures Engagement**

For the Years Ended December 31, 2012 and 2013

The contact person for all corrective actions noted below is Mr. Graham Douglas, Treasurer.

**Meals**

**Condition:** Thirty-five transactions for meals did not have receipts to support the expenditures. One hundred six transactions for meals were supported by receipts that were not itemized as to what type of meal was served, did not include documentation of who attended the meal, and did not document the business purpose of the meal. One hundred eight transactions for meals were supported by itemized receipts that did not include documentation of who attended the meal or the business purpose of the meal.

**Planned Action:** The Authority will immediately implement a policy whereby all meal expenditures submitted for reimbursement or charged to an Authority credit card must be documented as to who was in attendance at the meal, the business purpose of the meal, and must include an itemized receipt as to what was consumed. Furthermore, only meals deemed reasonable by Authority management will be eligible for reimbursement.

**Condition:** Four transactions for meals were supported by receipts that indicated that the meal was for employees of TEDA. One transaction for meals was supported by a receipt that indicated that the meal was for a Christmas luncheon for TEDA's employees.

**Planned Action:** The Authority will immediately implement a policy prohibiting the use of Authority monies for meals for its employees except in the cases where the business purpose and necessity of such meal is established, documented, and approved by management prior to the expenditure.

## **Travel**

Condition: Four transactions for travel (three for staff members, one for the chief executive officer) did not have a receipt to support the expenditure and, as such, there was no approval of such expenditure by a proper supervisor as per the Authority's fiscal policy. Four transactions for staff travel were properly supported by receipts but did not have evidence of approval by the chief executive officer as required by the fiscal policy.

Planned Action: The Authority will take greater care in ensuring that its fiscal policy as related to travel, which requires approval by the proper Authority supervisor, is adhered to, including the internal monitoring of compliance with such policy.

## **Operating Supplies/Other**

Condition: Thirty-four transactions for operating supplies/other expenditures did not have receipts to support the expenditures. Four transactions were supported by receipts but had no explanation as to the business purpose or identified the recipient or user of these goods/services. Three transactions were supported by receipts but were for expenditures not allowed by state law.

Planned Action: The Authority will immediately implement a policy whereby all expenditures for operating supplies/other must be supported by a detailed receipt prior to payment. Furthermore, all such expenditures that give rise to personal use must be documented as to the business purpose and/or user of the goods and/or services. Management will take steps to better familiarize itself as to non-allowable expenses for Louisiana local governments.

## **Credit Card Transactions/Expense Reimbursement Requests**

Condition: The stamp that the Authority employs for the proper supervisor to approve credit card transactions is not being utilized by its personnel. The proper supervisor approval section of the Authority's standard expense reimbursement report is not being completed.

Planned Action: The Authority will take greater care in ensuring that its fiscal policy as related to credit card transactions and expense reimbursement requests, which requires approval by the proper Authority supervisor utilizing the stamps and forms already in place, is adhered to, including the internal monitoring of compliance with such policy.